



Douglas J. MacSinnitie
Commissioner

State of Georgia
Department of Revenue
Administrative Division – Office of Tax Policy
1800 Century Blvd., Suite 15107
Atlanta, Georgia 30345-3205
(404) 417-6649

Frank O'Connell
Director

NOTICE

(Notice LGSD 2012 - 4)

RE: Proposed New Chapter and Rules of the Department of Revenue, Local Government Services Division, Chapter 560-11-14:

TO ALL INTERESTED PERSONS AND PARTIES:

In compliance with O.C.G.A. § 50-13-4, the Georgia Department of Revenue gives notice that it is proposing to adopt Chapter 560-11-14 and Rules and Regulations under said Chapter for the State of Georgia by proposing the adoption of:

Chapter 560-11-14, entitled "State and Local Title Ad Valorem Tax Fee"

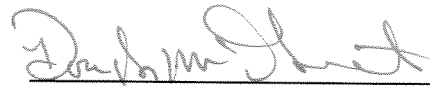
- 560-11-14-.01, entitled "Definitions"
- 560-11-14-.02, entitled "Applicability"
- 560-11-14-.03, entitled "Rates, Distributions and Collections"
- 560-11-14-.04, entitled "Opt-In Election"
- 560-11-14-.05, entitled "Family Inheritance, Devise or Bequest"
- 560-11-14-.06, entitled "Family Transfer"
- 560-11-14-.07, entitled "Salvage and Rebuilt Motor Vehicles"
- 560-11-14-.08, entitled "International Registration Plan"
- 560-11-14-.09, entitled "Loaner Vehicles and Dealer Inventory"
- 560-11-14-.10, entitled "Non-Profit Organizations"
- 560-11-14-.11, entitled "Rental Motor Vehicle Concern Certification"
- 560-11-14-.12, entitled "Exemptions"
- 560-11-14-.13, entitled "Penalties and Interest; Waivers; Refunds"
- 560-11-14-.14, entitled "Used Car Market Guide"
- 560-11-14-.15, entitled "Fraudulent Transfers and False Information"
- 560-11-14-.16, entitled "Appeals"

Attached with this notice are exact copies and synopses of the proposed Chapter and Rules. The Chapter and Rules are being proposed for adoption under the authority of O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, and 48-5B-1.

The Department of Revenue shall consider the proposed adoption of the above-referenced Chapter and Rules at 10:00 a.m., on Friday, November 30, 2012 in Suite 15200 of the Department's headquarters at 1800 Century Blvd. NE, Atlanta, GA 30345-3205.

The Department must receive all comments regarding the proposed adoption of the above-referenced Chapter and Rules from interested persons no later than 10:00 a.m. on Friday, November 30, 2012. Written comments must be sent to: Commissioner, Georgia Department of Revenue, 1800 Century Blvd. NE, Suite 15300, Atlanta, GA 30345-3205. Electronic comments must be sent to regcomments@dor.ga.gov. Facsimile comments must be sent to (404) 417-2293. **Please reference "Notice Number LGSD 2012 - 4" on all comments.**

Dated: October 18 2012



Douglas J. MacGinnitie
Commissioner
Department of Revenue

SYNOPSIS

RULES OF DEPARTMENT OF REVENUE LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14 STATE AND LOCAL TITLE AD VALOREM TAX FEE

560-11-14-.01 - Definitions

- This Rule defines various terms used throughout new Chapter 560-11-14 and in O.C.G.A. § 48-5B-1.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.01 Definitions.

(1) As used in O.C.G.A. § 48-5B-1 and in these regulations, the term:

(a) "Commercial motor vehicle" shall have the same meaning as provided for in O.C.G.A. § 40-1-8.3.

(b) "Commissioner" means the State Revenue Commissioner.

(c) "County tag agent" or "tag agent" means those persons that have been designated as tag agents of the commissioner as provided for in O.C.G.A. § 40-2-23.

(d) "Date of purchase" means the date so provided on the application for certificate of title.

(e) "Dealer" or "dealership" shall have the same meaning as a dealer of new or used motor vehicles as provided for in O.C.G.A. § 40-3-2 (3).

(f) "Department" means the Department of Revenue.

(g) "Electronic Title and Registration" means an electronic process by which a dealer, through a vendor authorized by the commissioner, initiates the motor vehicle titling and registration process and by which the application for certificate of title is considered received by the county tag agent.

(h) "Immediate family member" means a spouse, parent, child, sibling, grandparent, or grandchild and includes those who have attained such immediate family member status through a legal determination recognized in this state.

(i) "International Registration Plan" means the international reciprocal registration agreement for commercial motor vehicles and all amendments thereto as provided for in O.C.G.A. § 40-2-88.

(j) "Loaner vehicle" means a motor vehicle owned by a dealer which is withdrawn temporarily from dealer inventory for exclusive use as a courtesy vehicle loaned at no charge for a period not to exceed thirty (30) days within a calendar year to any one customer whose motor vehicle is being serviced by such dealer.

(k) "Motor vehicle" shall have the same meaning as provided for in O.C.G.A. § 40-1-1 (33).

(l) "New motor vehicle" shall have the same meaning as provided for in O.C.G.A. § 40-1-1 (34).

(m) "Month" means a period of thirty (30) consecutive calendar days.

(n) "Owner" shall have the same meaning as provided for in O.C.G.A. § 40-1-1(39).

(o) "Person" means any individual, firm, partnership, cooperative, nonprofit membership corporation, joint venture, association, company, corporation, agency, syndicate, estate, trust, business trust, receiver, fiduciary, or other group or combination acting as a unit, body politic, or political subdivision, whether public, private, or quasi-public.

(p) "Proceeds" means the combined state ad valorem title tax fee, local ad valorem title tax fee, administrative fee, penalties, and interest.

(q) "Rebuilt title" shall have the same meaning as provided for in O.C.G.A. § 40-3-37.

(r) "Rental charge" means the title value received by a rental motor vehicle concern for the rental or lease for thirty-one (31) or fewer consecutive days of a rental motor vehicle, including the total cash and nonmonetary consideration for the rental or lease, including, but not limited to, charges based on time or mileage and charges for insurance coverage or collision damage waiver but excluding all charges for motor fuel taxes or sales and use taxes.

(s) "Rental motor vehicle" means a motor vehicle designed to carry ten (10) or fewer passengers and used primarily for the transportation of persons that is rented or leased without a driver.

(t) "Rental motor vehicle concern" means a person or legal entity which owns or leases five (5) or more rental motor vehicles and which regularly rents or leases such vehicles to the public for value.

(u) "Salvage motor vehicle" shall have the same meaning as provided for in O.C.G.A. § 40-3-2 (11).

(v) "Salvage title" shall have the same meaning as provided for in O.C.G.A. § 40-3-36.

(w) "Sales and use tax" means combined state and local sales and use tax as imposed by Chapter 8 of Title 48, unless otherwise specifically provided for in O.C.G.A. § 48-5B-1 or these regulations to refer only to state sales and use tax, or local sales and use tax, respectively.

(x) "Tax collector" or "tax commissioner" means those persons that have been designated as tag agents of the commissioner as provided for in O.C.G.A. § 40-2-23.

(y) "Used motor vehicle" shall have the same meaning as provided for in O.C.G.A. § 40-1-1 (74).

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.02 – Applicability

- This Rule provides for the application of the state and local title ad valorem tax fee on motor vehicles with the associated exemptions for sales and use tax and annual ad valorem taxes.
 - This Rule provides example factual scenarios demonstrating how the state and local title ad valorem tax fee and applicable exemptions apply.
 - This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.
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**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.02 Applicability.

(1) Except as otherwise provided by O.C.G.A. § 48-5B-1, any motor vehicle purchased or sold in Georgia on or after March 1, 2013 for which a title is issued in this state shall be subject to the state and local title ad valorem tax fee. Such motor vehicle shall be exempt from sales and use tax as provided under O.C.G.A. § 48-8-3 and shall not be subject to the ad valorem tax as otherwise required under Chapter 5 of Title 48.

(a) The date of purchase shall be used to determine whether the vehicle was purchased or sold on or after March 1, 2013 and accordingly whether the state and local title ad valorem tax fee is due as well as the applicable exemptions from sales and use tax under O.C.G.A. § 48-8-3 and ad valorem tax under Chapter 5 of Title 48.

(2) Except as otherwise provided by O.C.G.A. § 48-5B-1, any motor vehicle purchased or sold outside of Georgia with its first use in Georgia occurring on or after March 1, 2013 for which a title is issued in this state shall be subject to the state and local title ad valorem tax fee. Such motor vehicle shall be exempt from sales and use tax as provided under O.C.G.A. § 48-8-3 and shall

not be subject to the ad valorem tax as otherwise required under Chapter 5 of Title 48.

(a) The date of purchase shall be used to determine whether the vehicle was purchased or sold on or after March 1, 2013 and accordingly whether the state and local title ad valorem tax fee is due as well as the applicable exemptions from sales and use tax under O.C.G.A. § 48-8-3 and ad valorem tax under Chapter 5 of Title 48.

(3) Any owner of a motor vehicle purchased in Georgia on or after January 1, 2012 and prior to March 1, 2013 for which a title was issued in this state shall be authorized to opt in such motor vehicle to the provisions of O.C.G.A. § 48-5B-1 at any time beginning March 1, 2013 but prior to January 1, 2014 in accordance with regulation 560-11-14-.04.

(a) The date of purchase shall be used to determine whether the vehicle is eligible to opt in.

(4) A leased or rented motor vehicle which is registered in Georgia on or after March 1, 2013 for which a title is issued in this state shall be subject to the state and local title ad valorem tax fee. The sales and use tax exemption under O.C.G.A. § 48-8-3 shall not apply to such motor vehicles. The state and local title ad valorem tax fee shall be paid at or before the time such motor vehicle is registered in this state in order for the registration and issuance of the title to be completed.

(5) Any motor vehicle subject to the state and local title ad valorem tax fee under O.C.G.A. § 48-5B-1

shall continue to be subject to the title, license plate, revalidation decal, and registration requirements and applicable fees as otherwise provided in Title 40 in the same manner as motor vehicles which are not subject to the state and local title ad valorem tax fee under O.C.G.A. § 48-5B-1.

(6) Examples

(a) A person enters into a contract to purchase a motor vehicle from a dealership in Georgia for which the date of purchase is January 15, 2013. The dealership submits the application for certificate of title and registers the vehicle on the purchaser's behalf. The certificate of title is issued on February 15, 2013. The motor vehicle is not subject to the state and local title ad valorem tax fee because the date of purchase is not on or after March 1, 2013. This transaction does not qualify for the sales and use tax exemption under O.C.G.A. § 48-8-3 and would be subject to ad valorem tax under Chapter 5 of Title 48 because the date of purchase is not on or after March 1, 2013. Because the date of purchase occurred after January 1, 2012 and prior to March 1, 2013 and a title was issued in this state, the owner is authorized to opt the motor vehicle into the provisions of O.C.G.A. § 48-5B-1 at any time beginning March 1, 2013 but prior to January 1, 2014 in accordance with regulation 560-11-14-.04.

(b) A person enters into a contract to purchase a motor vehicle from a dealership in Georgia for which the date of purchase is February 28, 2013. The dealership submits the application for

certificate of title and registers the vehicle on the purchaser's behalf. The certificate of title is issued on March 15, 2013. The motor vehicle is not subject to the state and local title ad valorem tax fee because the date of purchase is not on or after March 1, 2013. This transaction does not qualify for the sales and use tax exemption under O.C.G.A. § 48-8-3 and would be subject to ad valorem tax under Chapter 5 of Title 48 because the date of purchase is not on or after March 1, 2013. Because the date of purchase occurred after January 1, 2012 and prior to March 1, 2013 and a title was issued in this state, the owner is authorized to opt the motor vehicle into the provisions of O.C.G.A. § 48-5B-1 at any time beginning March 1, 2013 but prior to January 1, 2014 in accordance with regulation 560-11-14-.04.

(c) A person enters into a contract to purchase a motor vehicle from a dealership in Georgia for which the date of purchase is March 1, 2013. The dealership submits the application for certificate of title and registers the vehicle on the purchaser's behalf. The certificate of title is issued on March 15, 2013. The motor vehicle is subject to the state and local title ad valorem tax fee because the date of purchase occurred on or after March 1, 2013. This transaction qualifies for the sales and use tax exemption under O.C.G.A. § 48-8-3 and would not be subject to ad valorem tax under Chapter 5 of Title 48 because the date of purchase occurred on or after March 1, 2013.

(d) An individual who is a resident of Georgia purchases a motor vehicle from a neighbor in Georgia for which the date of purchase is

February 15, 2013. The individual submits the application for certificate of title and registers the vehicle. The certificate of title is issued on March 1, 2013. The vehicle is not subject to the state and local title ad valorem tax fee because the date of purchase is not on or after March 1, 2013. This transaction would be exempt from sales and use tax as a casual sale pursuant to regulation 560-12-1-.07. This vehicle would be subject to ad valorem tax under Chapter 5 of Title 48 because the date of purchase is not on or after March 1, 2013. Because the date of purchase occurred after January 1, 2012 and prior to March 1, 2013 and a title was issued in this state, the owner is authorized to opt the motor vehicle into the provisions of O.C.G.A. § 48-5B-1 at any time beginning March 1, 2013 but prior to January 1, 2014 in accordance with regulation 560-11-14-.04.

(e) An individual who is a resident of Georgia purchases a motor vehicle from a neighbor in Georgia for which the date of purchase is March 1, 2013. The individual submits the application for certificate of title and registers the vehicle. The certificate of title is issued on March 15, 2013. The motor vehicle is subject to the state and local title ad valorem tax fee because the date of purchase occurred on or after March 1, 2013. This transaction qualifies for the sales and use tax exemption under O.C.G.A. § 48-8-3 and would not be subject to ad valorem tax under Chapter 5 of Title 48 because the date of purchase occurred on or after March 1, 2013.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

RULES OF DEPARTMENT OF REVENUE LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14 STATE AND LOCAL TITLE AD VALOREM TAX FEE

560-11-14-.03 – Rates, Distributions and Collections

- This Rule provides guidance in determining the applicable rate of the state and local title ad valorem tax fee.
- This Rule provides guidance relating to the allocation and distribution of state and local title ad valorem tax fee proceeds.
- This Rule provides for allowable collection methods.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.03 Rates, Distributions and Collections.

(1) Rate of State and Local Title Ad Valorem Tax Fee

(a) The rate of the state and local title ad valorem tax fee to be imposed shall be determined by reference to the rate in effect on the date of purchase of the motor vehicle.

(2) Distribution of Proceeds

(a) The allocation and distribution of proceeds shall be determined pursuant to subsection (c) of O.C.G.A. § 48-5B-1.

(b) Prior to the collection and distribution of any proceeds, the county tag agent must have obtained a written certification of agreement from the county governing authorities, municipal governing authorities, the local board of education and any independent school district within such county, for the purpose of determining the appropriate allocation of the proceeds. Such certification shall occur at least annually.

(c) In the event a county tag agent receives proceeds which were due to the county tag agent of a different county, such county tag agent incorrectly receiving such proceeds shall remit said proceeds to the correct county tag agent. If a dispute exists as to which county is due said

proceeds, an aggrieved county may seek recourse as provided for in O.C.G.A. § 48-5-17.

(d) The county tag agent shall be authorized to collect proceeds through Electronic Title and Registration and the allocation and distribution of proceeds shall include those proceeds received through Electronic Title and Registration.

(3) Collections

(a) The commissioner and county tag agent shall each take appropriate enforcement actions to ensure the collection of outstanding proceeds as required by O.C.G.A. § 48-5B-1.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.04 – Opt-In Election

- This Rule provides for the opt in election available on purchases of motor vehicles that occurred during the period beginning January 1, 2012 and ending February 28, 2013, which will make such vehicles subject to the provisions of O.C.G.A. § 48-5B-1.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee

560-11-14-.04 Opt-In Election.

(1) The owner of any motor vehicle purchased in Georgia on or after January 1, 2012 and prior to March 1, 2013, for which a title was issued in this state, shall be authorized to opt in to the provisions of O.C.G.A. 48-5B-1 by filing an affirmative written election to the county tag agent in the county residence of the vehicle owner.

(2) Any such election must be made during the period beginning March 1, 2013 but prior to January 1, 2013, and only upon compliance with the following requirements:

(a) The total amount of state and local title ad valorem tax fees which would be due from March, 1 2013, to December 31, 2013, if such vehicle had been titled in 2013 shall be determined; and

(b) The total amount of state and local sales and use tax and state and local ad valorem tax under Chapter 5 of Title 48 which were due and paid in 2012 for that motor vehicle and, if applicable, the total amount of such taxes which were due and paid for that motor vehicle in 2013 shall be determined; and

(c) If the amount derived under subparagraph (a) is greater than the amount derived under subparagraph (b), the owner shall remit the difference to the tag agent.

(d) If the amount derived under subparagraph (a) is less than the amount derived under subparagraph (b), no additional amount shall be due and payable by the owner

and the owner shall not be entitled to a refund of such difference.

(3) To complete the election and receive credit for qualifying sales and use tax and ad valorem tax under Chapter 5 of Title 48, as described in part (2) of this regulation, the owner shall provide the purchase agreement or bill of sale to the county tag agent along with documentation approved by the commissioner demonstrating that such taxes have been paid.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.05 – Family Inheritance, Devise, or Bequest

- This Rule regulates the transfer of motor vehicles between immediate family members pursuant to inheritance, devise, or bequest, and the appropriate application of the state and local title ad valorem tax fee under such circumstances.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee

560-11-14-.05 Family Inheritance, Devise or Bequest.

(1) Beginning March 1, 2013, a motor vehicle acquired by an immediate family member upon the death of the owner through inheritance, devise, or bequest shall be subject to this regulation.

(a) If the motor vehicle was subject to ad valorem tax under Chapter 5 of Title 48 upon the death of the owner, such motor vehicle shall continue to be subject to the same unless such immediate family member makes an affirmative written election to instead become subject to the state and local title ad valorem tax fee.

1. Such affirmative written election shall be made on a form prescribed by the commissioner which shall be submitted to the county tag agent along with the application for certificate of title and accompanied by the state and local title ad valorem tax fee. If such form is not so submitted, the motor vehicle shall remain subject to ad valorem taxation under Chapter 5 of Title 48.

(b) If the motor vehicle was subject to the state and local title ad valorem tax fee upon the death of the owner, such motor vehicle shall be subject to a reduced state and local ad valorem title tax fee rate as provided by subsection (d) of O.C.G.A. § 48-5B-1.

(2) An immediate family member acquiring a motor vehicle by way of inheritance, devise, or bequest from a deceased owner shall complete an affidavit signed before a notary public affirming his or her relationship to the deceased as an immediate family member and entitlement to the vehicle. Such affidavit shall be submitted to the county tag agent accompanied by a copy of letters of testamentary, a copy of the will of the deceased, or other documentation approved by the commissioner to evidence the immediate family member relationship to the deceased and entitlement to the vehicle.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.06 – Family Transfer

- This Rule regulates the transfer of motor vehicles directly between immediate family members and the appropriate application of the state and local title ad valorem tax fee under such circumstances.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee

560-11-14-.06 Family Transfer.

(1) Beginning March 1, 2013, a motor vehicle transferred between immediate family members shall be subject to this regulation.

(a) If the motor vehicle was subject to ad valorem tax under Chapter 5 of Title 48 upon the transfer to the immediate family member, such motor vehicle shall continue to be subject to the same unless such immediate family member makes an affirmative written election to instead become subject to the state and local title ad valorem tax fee.

1. Such affirmative written election shall be made on a form prescribed by the commissioner which shall be submitted to the county tag agent along with the certificate of title and accompanied by the state and local title ad valorem tax fee. If such form is not so submitted, the motor vehicle shall remain subject to ad valorem taxation under Chapter 5 of Title 48.

(b) If the motor vehicle was subject to the state and local title ad valorem tax fee upon the transfer to the immediate family member, such motor vehicle shall be subject to a reduced state and local ad valorem title tax fee rate as provided by subsection (d) of O.C.G.A. § 48-5B-1.

(2) Both the transferor and the transferee shall complete an affidavit signed before a notary public

affirming their relationship as immediate family members and the acquiring member's entitlement to the vehicle. Such affidavit shall be submitted to the county tag agent.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

Proposed

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.07 – Salvage and Rebuilt Motor Vehicles

- This Rule provides for the application of the state and local title ad valorem tax fee in regards to motor vehicles qualifying for the issuance of a salvage certificate of title and/or a rebuilt certificate of title.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee

560-11-14-.07 Salvage and Rebuilt Motor Vehicles.

(1) Any person applying for a salvage title shall be subject to the state title ad valorem tax fee rate as provided by O.C.G.A. § 48-5B-1(b)(2). Such person shall submit the application for certificate of title together with the state title ad valorem tax fee to the commissioner.

(2) Any person who acquires a salvage motor vehicle who intends to rebuild such motor vehicle shall make the vehicle available to the commissioner for inspection and shall make application for a rebuilt title to the commissioner. Such person shall be directed to the county tag agent for payment of the state and local title ad valorem tax fee.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.08 – International Registration Plan

- This Rule provides for the applicability of O.C.G.A. § 48-5B-1 as it pertains to commercial motor vehicles subject to the International Registration Plan.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.08 International Registration Plan.

(1) Any person operating a commercial motor vehicle subject to the International Registration Plan who is required to title such commercial motor vehicle in this state shall apply for the certificate of title with the county tag agent at which time such person shall pay the state and local title ad valorem tax fee. Such person shall subsequently submit an application to the commissioner in accordance with the International Registration Plan.

(2) Except as otherwise provided in O.C.G.A. § 48-5B-1, all other statutes and regulations governing commercial motor vehicles subject to the International Registration Plan remain in effect and such motor vehicles continue to be subject to the International Fuel Tax Agreement (IFTA).

Authority: O.C.G.A. §§, 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.09 – Loaner Vehicles and Dealer Inventory

- This Rule regulates the loaner vehicle exemption from state and local title ad valorem tax fees for motor vehicle dealers.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.09 Loaner Vehicles and Dealer Inventory.

(1) A motor vehicle used by a dealership as a loaner vehicle shall not be subject to the state and local title ad valorem tax fee so long as such motor vehicle is not withdrawn from inventory beyond the permissible time period as provided by part (2) of this regulation.

(2) Loaner vehicles are exempt from state and local title ad valorem tax fees when used as a loaner vehicle for six (6) calendar months or fewer, commencing on the date such loaner vehicle is temporarily withdrawn from inventory. Immediately upon the expiration of such six (6) calendar month period, if the dealer does not return the loaner vehicle to inventory for resale the dealer shall be responsible for remitting the state and local title ad valorem tax fee in the same manner as otherwise required of an owner under O.C.G.A. § 48-5B-1(d)(9) and shall be subject to the same penalties and interest as an owner for noncompliance.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.10 – Non-Profit Organizations

- This Rule provides for a reduced rate of state and local title ad valorem tax fees for motor vehicles acquired by non-profit organizations and the circumstances in which the rate applies.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.10 Non-Profit Organizations.

(1) Any motor vehicle which is donated to a non-profit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, for the purpose of being transferred to another person shall, when titled in the name of such nonprofit organization, be subject to a reduced rate of the state and local title ad valorem tax fee.

(2) The reduced rate under part (1) of this regulation shall be the rate applicable to salvage motor vehicles provided under O.C.G.A. § 48-5B-1(b)(2).

(3) In order to obtain the reduced rate, qualifying non-profit organizations shall provide at the time of application for certificate of title proof of their tax exempt status under Section 501(c)(3) of the Internal Revenue Code and shall certify on a form prescribed by the commissioner that such motor vehicle was donated to such organization for the purpose of being transferred to another person.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.11 – Rental Motor Vehicle Concern Certification

- This Rule provides for a reduced rate of state and local title ad valorem tax fees for motor vehicles acquired by rental motor vehicle concerns.
 - This Rule provides for the certification process required for any rental motor vehicle concern seeking the reduced rate of the state and local title ad valorem tax fee.
 - This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.
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RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee

560-11-14-.11Rental Motor Vehicle Concern Certification.

(1) Rental motor vehicle concerns shall qualify for a reduced rate of the state and local title ad valorem tax fee as provided by this regulation.

(2) In the case of rental motor vehicles owned by such rental motor vehicle concerns:

(a) The state and local title ad valorem tax fee rate shall be as provided in O.C.G.A. § 48-5B-1(d).

(3) To qualify for the rates as provided in part (2) of this regulation:

(a) In the immediately prior calendar year the rental motor vehicle concern must have had an average amount of sales and use tax attributable to the rental charge of each rental motor vehicle of at least \$400.

(b) The rental motor vehicle concern must obtain certification by the commissioner as provided by part (4) of this regulation.

(4) Certification Process

(a) The application for certification as a qualified rental motor vehicle concern shall be made on a form prescribed by the commissioner.

(b) The rental motor vehicle concern shall obtain certification on an annual basis in order to continue to qualify for the rates as provided in part (2) of this regulation. Such certification shall be valid as of March 1 and shall continue until the end of February of the subsequent calendar year.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.12 - Exemptions

- This Rule governs the application of the statutory exemptions from the state and local title ad valorem tax fee including government entities and certain military veterans.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.12 Exemptions.

(1) The state and local title ad valorem tax fee shall not apply to:

(a) Corrected titles.

(b) Replacement titles under O.C.G.A. § 40-3-31.

(c) Titles reissued to the same owner pursuant to O.C.G.A. §§ 40-3-50, 40-3-51, 40-3-52, 40-3-53, 40-3-54, 40-3-55, or 40-3-56.

(2) Motor vehicles owned or leased by or to the state or any county, consolidated government, municipality, county or independent school district, or other government entity in this state shall not be subject to the state and local title ad valorem tax fees provided for in O.C.G.A. § 48-5B-1; provided, however, that such other government entity shall not qualify for such exclusion unless it is exempt from ad valorem tax and sales and use tax pursuant to general law.

(3) The state and local title ad valorem tax fee shall not apply to a qualified person as provided in this part:

(a) Any qualified service connected disabled veteran pursuant to O.C.G.A. § 48-8-3(30) when the veteran received a grant from the United States Department of Veterans Affairs to purchase and specially adapt a vehicle to his disability may

apply for an exemption of the state and local title ad valorem tax fee. Such veteran shall submit to the county tag agent a form prescribed by the commissioner attesting to their exempt status, the motor vehicle purchase agreement or bill of sale, and documentation approved by the commissioner demonstrating their disabled status and receipt of the veteran's grant.

(b) Any qualified disabled veteran pursuant to O.C.G.A. § 48-5-478 may apply for an exemption of the state and local title ad valorem tax fee. Such veteran shall submit to the county tag agent a form prescribed by the commissioner attesting to their exempt status, the motor vehicle purchase agreement or bill of sale, and documentation approved by the commissioner demonstrating their disabled status.

(c) Any qualified veteran pursuant to O.C.G.A. § 48-5-478.1 who is a former prisoner of war or their unremarried surviving spouse may apply for an exemption of the state and local title ad valorem tax fee. Such veteran or their unremarried surviving shall submit to the county tag agent a form prescribed by the commissioner attesting to their exempt status, the motor vehicle purchase agreement or bill of sale, and documentation approved by the commissioner demonstrating the veteran's designation as a former prisoner of war.

(d) Any qualified veteran pursuant to O.C.G.A. § 48-5-478.2 who was awarded the Purple Heart may apply for an exemption of the state and local title ad valorem tax fee. Such veteran shall submit to the county tag agent a form prescribed by the commissioner attesting to their exempt status, the motor vehicle purchase agreement or bill of sale, and documentation approved by the commissioner demonstrating their award of the Purple Heart.

(e) Any qualified veteran pursuant to O.C.G.A. § 48-5-478.3 who was awarded the Medal of Honor may apply for an exemption of the state and local title ad valorem tax fee. Such veteran shall submit to the county tag agent a form prescribed by the commissioner attesting to their exempt status, the motor vehicle purchase agreement or bill of sale, and documentation approved by the commissioner demonstrating their award of the Medal of Honor.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.13 – Penalties and Interest; Waivers; Refunds

- This Rule provides for the application of penalties, interest, waivers, and refunds related to the state and local title ad valorem tax fee.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.13 Penalties and Interest; Waivers; Refunds.

(1) Any penalties or interest incurred and due shall be paid at the time of application for certificate of title or such application shall be deemed incomplete and rejected by the county tag agent.

(2) Penalties and interest shall be waived in accordance with the following provisions:

(a) Upon written approval by the governing authority of the county in accordance part (2)(b) of this regulation and O.C.G.A. § 48-5-242, the tax collector or tax commissioner may waive, in whole or in part, the collection of any amount due the taxing authorities for which taxes are collected, when such amount represents a penalty or an amount of interest assessed for failure to comply with the laws governing the assessment and collection of state and local ad valorem title tax fees, when the tax collector or tax commissioner reasonably determines that the default giving rise to the penalty or interest was due to reasonable cause and not due to gross or willful neglect or disregard of the law or of regulations or instructions issued pursuant to the law.

(b) The waiver of penalties or interest in accordance with this part shall be subject to the written approval of the county governing authority either on a case-by-case basis or by a resolution delegating the authority of the tax collector or tax commissioner to make the final determinations.

Such resolution may establish rules and regulations governing the administration of this regulation and establish guidelines to be followed by the tax collector or tax commissioner when granting such waivers.

(3) Penalties and interest shall be waived by the tax collector or tax commissioner in accordance with O.C.G.A. § 48-2-39 relating to the filing of an application on a Saturday, Sunday or legal holiday.

(4) Refunds

(a) A refund of proceeds shall be made to a taxpayer when such proceeds have been illegally or erroneously assessed.

(b) A refund of proceeds shall be made to a taxpayer when such proceeds have been voluntarily or involuntarily overpaid.

(c) A request for the refunding of proceeds may be made by a taxpayer in accordance with O.C.G.A. § 48-5-380.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.14 – Used Car Market Guide

- This Rule provides for the appropriate “used car market guide” to be used in determining the fair market value of a motor vehicle when such value is not available through the motor vehicle ad valorem assessment manual currently used by the state revenue commissioner.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.14 Used Car Market Guide.

The commissioner shall designate a reputable used car market guide for use in determining the fair market value of a motor vehicle for purposes of the state and local title ad valorem tax fee for a which a value is not listed in the current motor vehicle ad valorem assessment manual.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
STATE AND LOCAL TITLE AD VALOREM TAX FEE**

560-11-14-.15 – Fraudulent Transfers and False Information

- This Rule provides for penalties imposed for conducting certain fraudulent transfers and/or providing false information.
- This Rule provides for special procedures utilized in assessing the penalties under this Rule.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.15 Fraudulent Transfers and False Information.

(1) There shall be a penalty imposed on any person who, in the determination of the commissioner, falsifies any information in any bill of sale used for purposes of determining fair market value. Such penalty shall not exceed \$2,500 as a state penalty and \$2,500 as a local penalty as determined by the commissioner. Such penalty shall not relieve a person of the obligation to pay any outstanding proceeds.

(2) There shall be a penalty imposed on any person who, in the determination of the commissioner, falsifies any material information in any affidavit required for purposes of title transfers between immediate family members. Such penalty shall not exceed \$2,500 as a state penalty and \$2,500 as a local penalty as determined by the commissioner. Such penalty shall not relieve a person of the obligation to pay any outstanding proceeds.

(3) There shall be a penalty imposed on the transfer of all or any part of the interest in a business entity that includes primarily as an asset of such business entity one or more motor vehicles when, in the determination of the commissioner, such payment is done to evade the

payment of state and local title ad valorem tax fees. Such penalty shall not exceed \$2,500 as a state penalty per motor vehicle and \$2,500 as a local penalty per motor vehicle as determined by the commissioner. Such penalty shall not relieve a person of the obligation to pay any outstanding proceeds.

(4) In the event the county tag agent has reason to believe that a violation of this regulation has occurred, or upon request of the commissioner following receipt of information of a possible violation of this regulation, the county tag agent shall provide the commissioner the following items, as applicable: the original or a certified copy of the alleged falsified bill of sale or affidavit, a written statement of the facts of the allegation, and any other supporting evidence relevant to the allegation.

(5) The commissioner shall make a determination and any assessment of penalties within sixty (60) days from the date the commissioner received information that a violation under this regulation may have occurred.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.

SYNOPSIS

RULES OF DEPARTMENT OF REVENUE LOCAL GOVERNMENT SERVICES DIVISION

CHAPTER 560-11-14 STATE AND LOCAL TITLE AD VALOREM TAX FEE

560-11-14-.16 – Appeals

- This Rule provides the manner by which taxpayers may appeal the fair market value of their vehicle for purposes of the assessment of the state and local title ad valorem tax fee.
- This rule is being adopted in accordance with HB 386 passed during the 2012 session of the Georgia General Assembly.

**RULES
OF
DEPARTMENT OF REVENUE
LOCAL GOVERNMENT SERVICES DIVISION**

**CHAPTER 560-11-14
State and Local Title Ad Valorem Tax Fee**

560-11-14-.16 Appeals.

(1) Any owner who contests the fair market value of a motor vehicle for purposes of the state and local ad valorem title tax fee may appeal such decision by either filing with the tax commissioner an affidavit of illegality as outlined in part (2) of this regulation or by filing an appeal with the board of tax assessors as outlined in part (3) of this regulation.

(2) The motor vehicle license plate may be obtained without payment of the state and local title ad valorem tax fee, as outlined in O.C.G.A. § 48-5-450, by filing with the tax commissioner an affidavit of illegality to the assessment; and filing either 1) a surety bond issued by a state authorized surety company or 2) a bond approved by the clerk of superior court of the county or 3) a cash bond.

(a) The bond shall be in the amount equal to the tax and any penalties and interest which may be found to be due.

(b) The bond shall be made payable to the tax commissioner.

(c) The affidavit and bond are to be transferred by the tax commissioner immediately to the superior court to be tried as affidavits of illegality are tried in tax cases.

(3) As an alternative to filing an affidavit of illegality, any owner who contests the fair market value of a motor vehicle for purposes of the state and local title ad valorem tax fee may appeal such value in the same manner as other ad valorem tax assessment appeals are made and decided pursuant to O.C.G.A. § 48-5-311.

(a) The time allowed for the filing of a written appeal shall be forty-five (45) days from the deadline date for the payment of the tax.

(b) Upon receipt of an appeal, the tax assessors shall immediately notify the tax commissioner that an appeal has been filed by the taxpayer. If the appeal is filed before the payment of the state and local title ad valorem tax fee, the tax commissioner shall issue a temporary bill for the collection of the ad valorem tax and all tag fees. The temporary amount shall be based on 85% of the valuation. Such temporary tax bill shall be accompanied by a notice to the taxpayer that the bill is temporary pending the outcome of the appeal process and also indicate there may be additional tax or refund due based on the resolution of the appeal.

(c) Further appeals to the board of equalization and superior court are to be handled as provided in O.C.G.A. § 48-5-311.

Authority: O.C.G.A. §§ 40-2-12, 40-3-3, 48-2-12, 48-5B-1.